



**Rond Table Discussion:**  
**Putting the Results Agenda into Practice**

**Background to Results-Based Management**

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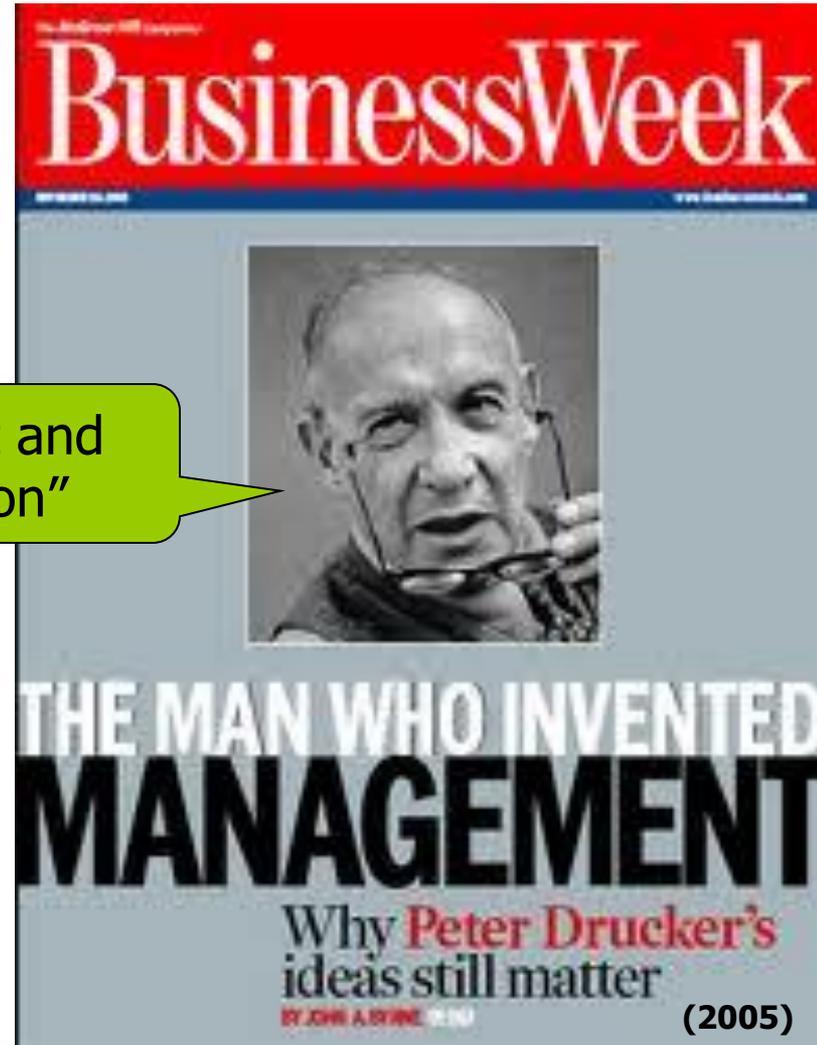


## The invention of a new profession: the manager

1954: Drucker studies corporations like General Motors and invents:

“Management by objectives”

“A manager **plans** a project and **controls** its implementation”



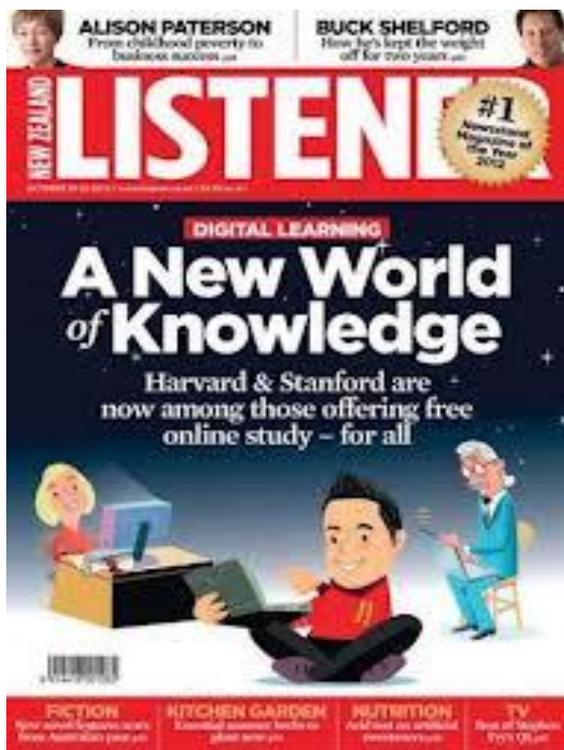


## Managers move into the public sector



“In the 1980s, Government introduced new jargon; “inputs”, “outputs” and “outcomes”.

There was much eye-rolling and scepticism.



... but every Government headache – from leaky homes to Pike River – has at its heart a failure to relate inputs and outputs to outcomes.” – Jane Clifton, 17 Nov 2012

“Children will learn: “If you cannot measure it, you cannot improve it.” – Listener, Editorial, 6 Oct 2012



## Management-by-objectives comes to development aid (1)

In 1990s management concepts also move into the aid sector: logframe, logic chain, logic model.

Results-Based Management (RBM) becomes the sector's term.

Audio slideshow: A tale of two Ethiopian women fighting hunger

Ethiopia is synonymous in many people's minds with drought and famine. In some parts of the country, staying alive and healthy during the dry season without food handouts is difficult.

But in the Tigray region, a pioneering project to manage environmental resources - which conserves water and improves food security - is transforming the fortunes of some families. Meet two mothers who live a few hours' drive apart, but whose lives are very different.

Reduced soil erosion, decreased risk of flooding and productive cultivated land, leads to greater food security.

"In the past decade, we saw a dilution of feminist principles to be inserted in logframes." Lina Abou-Habib – Director CRTD, 2011



## Management-by-objectives comes to development aid (2)

In late 2000s, push for quantified objectives and indicators is expanded by monetisation; Value for Money (VfM) approach.

“...optimum combination of whole-of-life costs and quality of good or service”

value to the individual 

**Social Value**

- Total value of improved health to individuals as a result of policy **\$22,561,910.66**
- INGO share of value **\$1,128,095.53**
- Cost incurred by INGO during policy influencing **\$14,863.00**

**Return on investment**  
**\$1:\$75.90**

- Caution: benchmarks needed to understand whether ratio represents VfM

nef consulting

**DFID** Department for International Development

A DFID practice paper

Value for Money Department, FCPD

 AUSTRALIAN COUNCIL FOR INTERNATIONAL DEVELOPMENT

ACFID and 'Value for Money'  
Discussion Paper

September 2012



## Management-by-objectives comes to development aid (3)

| Stakeholder                             | Output   | Potential changes (not exhaustive)  |
|---|--|---|
| Individuals living in rural communities | Improved access to sanitation  | <p>Improved physical health due to fewer diseases and illnesses</p> <p>Increased economic activity due to fewer sick days</p> <p>Increased mental well-being as a result of better health and economic position</p> |
| Rural communities                       | <p>Participation in CLTS scheme</p> <p>Improved access to sanitation</p> | <p>Increased resilience as community empowerment has built the capacity of community to respond to challenges</p>   |
| State                                   | Improved access to sanitation  | <p>Savings from reduced health-care liabilities</p> <p>Tax and revenue gains from increased economic activity</p>   |



## RBM and challenges for NGOs

- That what is easy to measure – quantify – is least important.

Measuring outputs (schools built) is easy, but measuring outcomes (increased job opportunities), and impact (reduced poverty) is hard.

- Easy to 'prove' (narrative) that activities have led to outputs. But hard to 'prove' that those outputs have led to outcomes.

Outcomes mostly have many causes. Attribution or contribution? The Deadweight Effect. Displacement. How long does it last?

- That what is not countable or monetised is valued at zero.

Resilience, well-being, empowerment, sustainability, awareness, sovereignty, hope, democracy, safety, opportunity, rule-of-law...

- Measuring the uncountable? Designing (proxy) indicators.



## RBM and opportunities for NGOs

- RBM, recording effects, is a good basis for organisational learning – if it is not used for reporting upward to donors.
- Until late 1990s, NGOs were seen as unique actors: born out of felt need and experience, connected in communities, driven by committed people, identity-on-values...

Performance-based contracts blurr the line between NGOs and state agencies, consultants, the military – and make NGOs compete with these on points where NGOs are weaker.

'Organisational indicators' reflect NGOs' character and show what they can do because of who they are (and what the others are not and cannot become): born out of felt need...



Dear Mr Gandhi,

We cannot fund your  
project proposal.

Your logframe has a  
weak vertical logic.

Attribution chains are  
weak.

How does your activity  
of spinning lead to  
your goal of the fall  
of the British Empire?



(Rogers, 2006: 35)